



SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-1057

SUBJECT: SOP 50 10(5) Technical Corrections
and Effective Date

EFFECTIVE: 6/6/2008

SOP 50 10, which covers 7(a) and 504 loan processing as well as the requirements to become and remain a 7(a) lender (Lender) or a Certified Development Company (CDC), was completely re-written and, on March 20, 2008, SOP 50 10(5) was made available with a delayed effective date. The purpose of the revision was to develop a more concise version of the SOP that is up to date and user-friendly. During the past several weeks, Agency staff have received and reviewed questions and comments from program participants, including Lenders, CDCs, representatives of various trade associations, and SBA personnel. As a result of this feedback, SBA has made technical corrections to clarify the SOP and has moved back the effective date. The technical corrections are listed in the attachment to this notice.

The revised SOP 50 10(5) will be effective for applications received by SBA on or after August 1, 2008. For lenders submitting requests through delegated processes (PLP, SBA Express, Patriot Express, Export Express or Community Express), the revised SOP will apply to requests for a loan number received by SBA on or after August 1, 2008. The revised SOP can be found at <http://www.sba.gov/tools/resourcelibrary/sops>.

As part of this discussion, there are two issues concerning the 504 program that CDCs have asked SBA to reconsider. The first is the provision that prohibits a CDC from providing interim financing on its own projects. The second is the requirement that there be an alternative source of repayment if an applicant is using a recently obtained home equity loan as all or part of its required borrower's equity contribution. The version of the SOP that contains the technical corrections does not include any modifications to the original language for either issue. SBA is preparing policy guidance that, when approved, will supersede the language in the revised SOP for both of those issues. This guidance is expected to be issued prior to the August 1, 2008 implementation date of the new SOP. This version of the SOP does not address these issues as they are not considered technical corrections or clarifications. Therefore, any change to the SOP to address these issues must be approved through SBA's internal policy clearance process.

Loan Servicing and Liquidation

Guidance on loan processing for all SBA loan programs is included in this revised SOP 50 10. Until SOP 50 50 and SOP 50 51 are updated to include SBA Express and the Pilot Loan Programs (Patriot Express, Export Express and Community Express), the servicing and liquidation guidance contained in the program guides governing SBA Express and the Pilot Loan Programs remains in effect.

EXPIRES: 6/1/2009

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SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete
Must be accompanied by SBA Form 58

Search Capability

SBA is continuing to work to enhance the search capabilities of this SOP. This version contains the search capabilities provided by using a PDF format, but does not have the full search capacity that SBA intends to provide. A version with enhanced search capabilities will be issued as soon as possible.

Future Updates

SBA plans to update the SOP every six months. This version of the SOP includes policy changes implemented prior to January 1, 2008. We expect the initial update to include program enhancements related to Small/Rural Lender Advantage and Community Express, as well as other program modifications implemented in the past five months.

Additional Information

Lenders, CDCs and other interested parties may continue to send suggestions concerning the SOP to SBA at SOP50-10Modernization@sba.gov. This e-mail box is set up to receive only.

Questions regarding SOP 50 10(5) should be directed to the lender relations specialist in the local SBA field office.

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